

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION
302 W. WASHINGTON STREET, ROOM E306

INDIANAPOLIS, 46204

September 28, 2000

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FCC MAIL ROOM

Ms. Magalie Roman Salas, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, SW, Room #TW-204B
Washington, DC 20554

RE: CC Docket No. 96-45

Dear Ms. Salas,

This is to inform you that the Indiana Utility Regulatory Commission has determined there are no carriers in the State of Indiana that are eligible to receive federal high-cost support or hold-harmless support pursuant to the FCC's Ninth Report & Order and Eighteenth Order on Reconsideration, CC Docket No. 96-45 (FCC 99-306:rel. Nov. 2, 1999). A copy of the IURC's September 13, 2000 Order to that effect is included with this letter.

If you have any questions please call me at 317-232-2701.

Sincerely,

Joseph M. Sutherland,
Secretary to the Commission

CC: Ms. Cheryl Parrino
Ms. Irene Flannery

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STATE OF INDIANA
ORIGINAL

INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE COMMISSION'S)
CERTIFICATION OF NON-RURAL)
CARRIERS' ELIGIBILITY TO RECEIVE)
FEDERAL UNIVERSAL SERVICE HIGH-)
COST SUPPORT, PURSUANT TO THE)
TELECOMMUNICATIONS ACT OF 1996,)
THE FCC'S NOVEMBER 2, 1999 ORDER)
IN DOCKET NO. FCC 99-306, AND)
OTHER RELATED FCC ORDERS.)

CAUSE NO. 41816

APPROVED:

SEP 13 2000

BY THE COMMISSION:

Gregory S. Colton, Administrative Law Judge

Pursuant to Section 254 of the Telecommunications Act of 1996 ("TA-96"), Congress instructed the Federal Communications Commission ("FCC"), after consultation with Federal-State Joint Board on Universal Service ("Joint Board"), to establish specific, predictable, and sufficient mechanisms to preserve and advance universal service. The FCC established a new federal high-cost support mechanism for non-rural carriers in an Order released on November 2, 1999 in CC Docket No. 96-45 (the "FCC Order").¹ The FCC Order specifies that new federal funding is to be made available to qualifying non-rural carriers for a new forward-looking, federal high-cost universal service fund ("New USF") or through a related "hold-harmless" provision that allows current federal fund recipients to continue receiving universal service funding for up to three years. The FCC gave each state the responsibility of certifying whether non-rural carriers within that state qualify to receive this new federal funding. Specifically, the FCC stated:

In order for non-rural carriers in a state to receive any high-cost support, either forward-looking or hold-harmless support, for the second program year beginning on January 1, 2001, the state must file its section 254(e) certification no later than one month before USAC's filing is due (i.e., October 1, 2000). In order for non-rural carriers in a state to receive any high-cost support, either forward-looking or hold-harmless support, for subsequent program years beginning on January 1, of each year, the state must file its section 254(e) certification no later than one month before USAC's filing is due (i.e., October 1 of the preceding year).²

¹ *In the Matter of Federal-State Joint Board on Universal Service, Ninth Report & Order and Eighteenth Order on Reconsideration*, CC Docket No. 96-45 (FCC 99-306:rel. Nov. 2, 1999).

² *Id.* at Paragraph 103.

The FCC also found that each state should determine whether the new federal funding is or will be used in a manner consistent with the stated goals of TA 96 and the FCC Order:

Because the support that will be provided by the methodology described in this Order is intended to enable the reasonable comparability of *intrastate* rates, and states have primary jurisdiction over intrastate rates, we find that it is most appropriate for states to determine how the support is used to advance the goals set out in section 254(e).³

Given the above charge from the FCC, it is appropriate for this Commission to initiate a Cause to address certification issues raised by the FCC Order. By this Order, we are initiating such a Cause. However, given the circumstances described below, we note that it is not necessary for this Commission to take action, at this time, with regard to establishing such certification standards.

Members of this Commission informally contacted all three carriers believed to be potentially eligible to receive this new federal funding, and asked whether those carriers believed they would qualify to receive any of those funds. Clearly, if all three answered “no,” there would be no point in this Commission expending the effort to develop certification standards. In reply to the query, two of the carriers – Ameritech and Verizon (GTE) - indicated they did not qualify to receive either the new USF funding or the hold-harmless funding. The third carrier, Sprint, indicated that by definition it is considered a “rural telephone company,” and thus it is not affected by the FCC Order. A copy of each of the three letters is attached to this Order.

In light of the above, we find that it is not necessary to institute proceedings at this time to establish certification standards for non-rural carriers to meet in order to receive New USF or hold-harmless federal funds. Should any non-rural carrier change its assessment, as the result of a change in circumstances or an FCC order, we find that said non-rural carrier should so inform the Commission on a timely basis of the need to re-open this docket to address issues related to certification. Because it is possible that no such request will ever be made, we find that this Cause should be dismissed in the interim, with the understanding that it will be re-opened if a need arises.

IT IS THEREFORE ORDERED BY THE INDIANA UTILITY REGULATORY COMMISSION, that:

1. Proceedings shall be instituted in this Cause to establish certification criteria relating to the federal funding described herein, upon receiving notice of the need for such proceedings. In the interim, this Cause shall be dismissed.

2. The Commission’s Secretary shall send a copy of this Order and the three attached letters to the FCC and to Ameritech, Sprint, and Verizon (GTE).

³ Id. at Paragraph 95.

3. This Order shall be effective on and after the date of its approval.

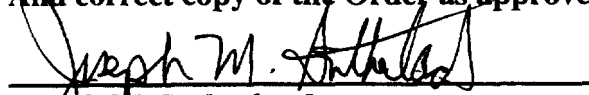
MCCARTY, RIPLEY, SWANSON-HULL AND ZIEGNER CONCUR;

HADLEY ABSENT:

APPROVED:

SEP 13 2000

I hereby certify that the above is a true
And correct copy of the Order as approved.

A handwritten signature in black ink, appearing to read "Joseph M. Sutherland", is written over a horizontal line.

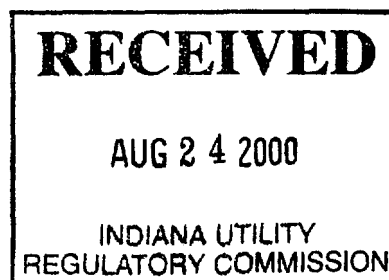
Joseph M. Sutherland,
Secretary to the Commission



A. David Stippler
Counsel

August 23, 2000

Mr. Joseph Sutherland
Director of Operations/Commission Secretary
Indiana Utility Regulatory Commission
Indiana Government Center South
302 West Washington Street, Room E306
Indianapolis, IN 46204



Dear Mr. Sutherland:

At the Commission's request, we have reviewed the FCC's Ninth Report & Order and Eighteenth Order on Reconsideration in In the Matter of Federal-State Joint Board on Universal Service, FCC 99-306, adopted on October 21, 1999 and released on November 2, 1999 ("Order"). That Order relates to federal funding for a new forward-looking, federal high-cost Universal Service Fund ("new USF funding"), and a related "hold-harmless" provision that allows current federal fund recipients to continue receiving universal service funding for up to three years. Based on our review of the FCC Order and our own present circumstances, it does not appear we would qualify to receive either new USF funding, or hold-harmless funding for the foreseeable future. Accordingly, we see no need for the Commission to institute proceedings to establish criteria for the state certification required by Paragraph 103 of the FCC Order.

In the event future circumstances or a FCC order change our assessment as to qualifying for such funding, we will inform the Commission on a timely basis of the need to open a docket to address issues relating to certification.

Sincerely,

A handwritten signature in black ink, appearing to read "A. David Stippler". The signature is fluid and cursive, with a large loop at the end.

A. David Stippler

cc: Honorable Greg Colton,
Administrative Law Judge

Sandra Ibaugh, IURC

Office of Utility Consumer Counselor





August 21, 2000

Joseph Sutherland
Director of Operation/Commission Secretary
Indiana Utility Regulatory Commission
Government Center South
302 West Washington Street, Room E306
Indianapolis, IN 46204

One North Capitol, Suite 540
Indianapolis, IN 46204
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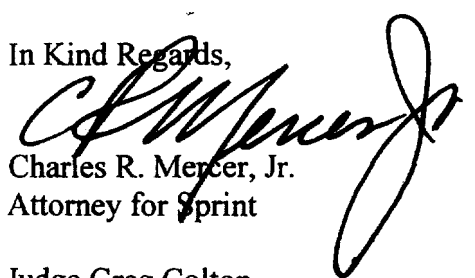
INDIANA UTILITY
REGULATORY COMMISSION

Dear Mr. Sutherland:

At your request, we have reviewed the FCC's Ninth Report & Order and Eighteenth Order on Reconsideration In the Matter of Federal-State Joint Board on Universal Service, FCC 99-306, adopted on October 21, 1999 and released on November 2, 1999. That Order relates to federal funding for a new forward-looking, federal high-cost Universal Service Fund ("New USF Fund"), and a related "hold-harmless" provision that allows current federal fund recipients to continue receiving universal service funding for up to three years. Based on our review of the FCC Order, the provisions for New USF funding are applicable to non-rural companies only. United Telephone Company of Indiana, Inc., d/b/a Sprint is a "rural telephone company" as that term is defined in § 3 (a)(47) of the Telecommunications Act of 1996. The state certification required by Paragraph 103 of the FCC Order does not apply to Sprint.

In the event a future FCC Order modifies eligibility criteria in a manner that allow us to qualify for funding, we will inform you on a timely basis of the need to open a docket to address issues relating to certification.

In Kind Regards,


Charles R. Mercer, Jr.
Attorney for Sprint

Cc: Judge Greg Colton
OUCC
Sandra Ibaugh

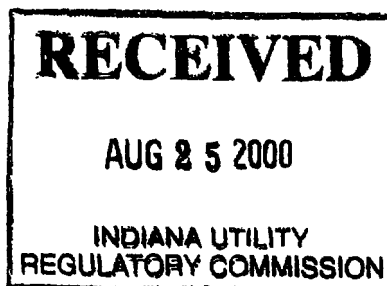
William F. Kreutz
Director
Regulatory/Governmental Affairs

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OCT 04 2000

FCC MAIL ROOM

August 25, 2000



One N. Capitol Ave.
Suite 515
Indianapolis, Indiana 46204

Phone 317 631-7182
Fax 317 634-0398
william.kreutz@verizon.com

Mr. Joseph Sutherland
Executive Director and
Administrator Secretary
Indiana Utility Regulatory Commission
Indiana Government Center South
302 W. Washington Street, Suite E306
Indianapolis, Indiana 46204

Re: Cause No. 41052-ETC-40

Dear Secretary Sutherland:

At Judge Colton's request, we have reviewed the FCC's Ninth Report & Order and Eighteenth Order on Reconsideration in the Matter of Federal-State Joint Board on Universal Service, FCC 99-306, adopted on October 21, 1999 and released on November 2, 1999. That Order relates to federal funding for a new forward-looking, federal high-cost Universal Service Fund ("New USF Fund"), and a related "hold-harmless" provision that allows current federal fund recipients to continue receiving universal service funding for up to three years. Based on our review of the FCC Order and our own present circumstances, it does not appear we would qualify to receive either New USF funding, or hold-harmless funding for the foreseeable future. Accordingly, we see no need for the Commission to institute proceedings to establish criteria for the state certification required by Paragraph 103 of the FCC Order.

In the event future circumstances or a FCC Order change our assessment as to qualifying for such funding, we will inform you on a timely basis of the need to open a docket to address issues relating to certification.

Sincerely,

William F. Kreutz
Director-
Regulatory/Governmental Affairs

c: OUCC
Judge Greg Colton